



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 84

AS ENACTED

MONDAY, MARCH 31, 2014

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

1 AN ACT relating to the transfer of financial information by state agencies.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 56.813 is amended to read as follows:

4 (1) An agency may request that the Finance and Administration Cabinet provide
5 additional space in a building in which space is already leased by the state. If the
6 cabinet determines there is need for more space, the current lease may be amended,
7 with agreement of the lessor, to increase the leased space. However, the rental rate
8 paid for the additional space shall not exceed the square foot rental rate fixed by the
9 original lease. A lease may also be modified with agreement of the lessor to
10 decrease the number of square feet leased and the rent shall be appropriately
11 reduced.

12 (2) (a) When an agency occupying leased premises desires improvements in the
13 premises, the agency shall obtain the cabinet secretary's approval for the
14 improvements at an estimated cost before the lessor makes the improvements.

15 1. If the improvements cost more than ten thousand dollars (\$10,000)~~[one~~
16 ~~thousand dollars (\$1,000)]~~, the agency shall obtain the cabinet
17 secretary's approval for the rent increase necessary to amortize the cost
18 of the improvements in full over the life of the lease. No other financing
19 method shall be used.

20 2. a. If the improvements cost ten thousand dollars (\$10,000)~~[one~~
21 ~~thousand dollars (\$1,000)]~~ or less, the agency shall obtain the
22 cabinet secretary's approval for the dollar amount necessary to pay
23 for the cost of the improvements at direct state expense or the rent
24 increase necessary to amortize the cost of the improvements in full
25 over a period of time which shall run no longer than the life of the
26 lease. No other financing method shall be used. No improvement
27 shall be artificially divided so as to qualify under the provisions of

1 this subparagraph.

2 b. Any improvements approved under this subparagraph with a
 3 cost between one thousand dollars (\$1,000) and ten thousand
 4 dollars (\$10,000) shall be reported semiannually by the Finance
 5 and Administration Cabinet to the Capital Projects and Bond
 6 Oversight Committee established by KRS 45.790. The report
 7 shall include, for each project, the agency for which the
 8 improvement was made, the cost, a description of the work
 9 performed, and the property identification number.

10 (b) Any rent increase necessary to amortize a cost pursuant to paragraph (a) of
 11 this subsection shall not extend beyond the period required to accomplish the
 12 agreed amortization.

13 (c) The cabinet secretary shall amend a lease to reflect a rent increase necessary to
 14 amortize a cost pursuant to paragraphs (a) and (b) of this subsection, and the
 15 amendment shall state that the rent increase is for the purpose of amortizing
 16 this cost.

17 (3) Any modification to an existing lease which is required because of an emergency as
 18 described at KRS 56.805(3) shall be made pursuant to KRS 56.805(3) and (4) and
 19 this section.

20 (4) The Division of Real Properties, within the Department for Facilities and Support
 21 Services, shall maintain a register of all proposed lease modifications which, if
 22 approved, will result in the payment of a square foot rate for the leased space which
 23 is greater than the square foot rate contained in the original lease. All such proposed
 24 modifications shall be filed and kept in the register for public inspection and
 25 comment for thirty (30) calendar days. Comments received from the public during
 26 the period shall be considered before the lease modification is executed by the
 27 parties and becomes binding against the Commonwealth. After receiving

1 comments, if the secretary determines that the proposed modifications are not in the
 2 interest of the Commonwealth, he or she may require the agency to continue
 3 operation in its present space or cancel the lease and seek more suitable space. The
 4 lessor, under any lease proposed to be modified as contemplated therein, shall be
 5 advised of the requirements of this subsection and cautioned that the
 6 Commonwealth shall have no liability for any action undertaken by the lessor in
 7 anticipation of, but prior to execution of, the modifications of the lease.

8 ➔Section 2. KRS 342.260 is amended to read as follows:

- 9 (1) The commissioner shall promulgate~~[prepare]~~ administrative regulations as he or
 10 she considers necessary to carry on the work of the department and the work of the
 11 administrative law judges and may promulgate administrative regulations not
 12 inconsistent with this chapter and KRS Chapter 13A for carrying out the provisions
 13 of this chapter.
- 14 (2) The commissioner shall promulgate administrative regulations on or before
 15 December 31, 2015, establishing the information necessary to be received to
 16 create an e-mail notification system where a person may enter his or her e-mail
 17 address into the Insurance Coverage Look-up database established by the
 18 Department of Workers' Claims and be notified of any cancellation of a specific
 19 business' workers' compensation coverage.
- 20 (3) The commissioner shall develop or adopt life expectancy tables for use in making
 21 computations for the apportionment of benefits under KRS 342.120, computation of
 22 attorneys' fees under KRS 342.320, and for use in all other situations arising under
 23 this chapter in which the calculation of a life expectancy is necessary or desirable,
 24 including the computation of assessments or reserves for self-insurers. The
 25 commissioner may adopt life tables published by the United States Department of
 26 Health and Human Services or other life tables developed by a qualified entity, as
 27 determined by the commissioner. The life tables developed or adopted~~[designated]~~

1 by the commissioner through the promulgation of administrative
 2 regulations~~[regulation]~~ in effect as of the date of an opinion, award, or settlement
 3 approved by an administrative law judge shall apply to computations concerning
 4 that opinion, award, or settlement.

5 ~~(4)~~~~[(3)]~~ Processes and procedures~~[procedure]~~ under this chapter shall be as summary
 6 and simple as reasonably possible. The board or any member thereof or any
 7 administrative law judge for the purpose of this chapter, may subpoena witnesses,
 8 administer or cause to have administered oaths, and examine or cause to have
 9 examined those parts of the books and records of the parties to a proceeding as
 10 relate to questions in dispute.

11 ~~(5)~~~~[(4)]~~ The sheriff shall serve all subpoenas of the board and administrative law
 12 judges and shall receive the same fee as provided by law for like service in civil
 13 actions. Each witness who appears in obedience to the subpoena of the board or any
 14 administrative law judge shall receive for attendance the fees and mileage for
 15 witnesses in civil cases in the Circuit Courts.

16 ~~(6)~~~~[(5)]~~ The Circuit Court shall, on application of the board, any member thereof, or
 17 any administrative law judge, enforce by proper proceedings the attendance and
 18 testimony of witnesses and the production and examination of books, papers, and
 19 records.

20 ➔Section 3. KRS 342.340 is amended to read as follows:

21 (1) Every employer under this chapter shall:

22 (a) ~~{either}~~ Insure and keep insured its liability for compensation~~[hereunder]~~ in
 23 some corporation, association, or organization authorized to transact the
 24 business of workers' compensation insurance in this state; or

25 (b) ~~{shall}~~ Furnish to the commissioner satisfactory proof of its financial ability to
 26 pay directly the compensation in the amount and manner and when due as
 27 provided~~[for]~~ in this chapter. In this~~[the latter]~~ case, the commissioner shall

1 require the deposit of an acceptable security, indemnity, or bond to secure, to
2 the extent the commissioner directs, the payment of compensation liabilities
3 as they are incurred. A public sector self-insured employer shall not be
4 required to deposit funds as security, indemnity, or bond to secure the
5 payment of liabilities under this chapter, if the public employer has authority
6 to raise taxes, notwithstanding provisions of KRS 68.245, 132.023, 132.027,
7 and 160.470 relating to recall and reconsideration of local taxes; raise tuition;
8 issue bonds; raise fees or fares for services provided; or has other authority to
9 generate funds for its operation.


- 10 (2) Every employer subject to this chapter shall file, or have filed on its behalf, with the
11 department, as often as may be necessary, evidence of its compliance with the
12 provisions of this section and all others relating hereto. Any insurance carrier or
13 self-insured group providing workers' compensation insurance coverage for a
14 Kentucky location shall file on behalf of the employer, with the commissioner,
15 evidence of the employer's compliance with this chapter. Evidence of compliance
16 filed with the department may include a named additional insured who has been
17 provided proof of workers' compensation insurance coverage by the employer. The
18 filing shall be made within ten (10) days after the issuance of a policy, endorsement
19 to a policy, or similar documentation of coverage. Every employer who has
20 complied with the foregoing provision and has subsequently canceled its insurance
21 or its membership in an approved self-insured group, as the case may be, shall
22 immediately notify, or have notice given on its behalf to the department of the
23 cancellation, the date~~[thereof]~~, and the reasons~~[therefor]~~; and every insurance
24 carrier or self-insured group shall in like manner notify the commissioner upon the
25 cancellation, lapse, termination, expiration by reason of termination of policy
26 period, or nonrenewal of any policy issued by it or termination of any membership
27 agreement, whichever is applicable under the provisions of this chapter, except that

1 the carrier or self-insured group need not set forth its reasons~~[- therefor]~~ unless
2 requested by the commissioner. The above filings are to be made on the forms
3 prescribed by the commissioner. Termination of any policy of insurance issued
4 under the provisions of this chapter shall take effect no greater than ten (10) days
5 prior to the receipt of the notification by the commissioner unless the employer has
6 obtained other insurance and the commissioner is notified of that fact by the insurer
7 assuming the risk. Upon determination that any employer under this chapter has
8 failed to comply with these provisions, the commissioner shall promptly notify
9 interested government agencies of this failure and, with particular reference to
10 employers engaged in coal mining, the commissioner shall promptly report any
11 failures to the Department for Natural Resources so that appropriate action may be
12 undertaken pursuant to KRS 351.175.

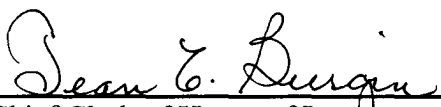
13 ~~{(3) The Department of Workers' Claims shall notify a named additional insured at the~~
14 ~~address listed on the evidence of coverage under a workers' compensation insurance~~
15 ~~policy upon the cancellation, lapse, termination, expiration, or nonrenewal of a~~
16 ~~workers' compensation insurance policy issued by the insurance carrier. The notice~~
17 ~~required in this subsection shall be provided by the department no later than ten (10)~~
18 ~~days after the insurance notice is provided to the commissioner as required in~~
19 ~~subsection (2) of this section.}~~



Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 4/10/14